GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1243
ANSWERED ON:21.08.2007
HIKE IN WHEAT PRICES
Sen Smt. Minati

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the prices of wheat has been considerably hiked in the world market;

(b) if so, the reasons therefor;

(c) the reaction of the Government thereon; and

(d) the steps taken thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a)&(b) Yes, Sir. Russia, Ukraine, Canada, USA, Australia Argentina and EU are major wheat producing and exporting countries in the world. The rise in world wheat prices this year has been on account of hot and dry weather in southern Russia and Ukraine reducing yield potential and stressing production. It is estimated that the exportable supplies from Russia will be down by about 16% and that from Ukraine by about 55% this year. Likewise lower quality of wheat is reported in US. In Canada, due to shift in sowing of crops like barley, oats, canola and durum wheat, the production of non durum wheat is declining. Crop in Argentina has also declined by around 7% this year due to competition from other crops and increased fertilizer costs.

(c) &(d) The Government of India is currently importing wheat since February, 2006 to keep the prices under check. Exports have also been banned effective 9th February, 2007.The Government is also taking steps in direction of improving wheat production and productivity within the country.